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E.O. 12958: DECL: 02/05/2035
TAGS: ETTC PGOV PINR MCAP PREL TSPA FR GM
SUBJECT: BND LOBBYING MERKEL AND USG ON SATELLITE
RECONNAISSANCE COOPERATION

REF: BERLIN 93

Classified By: Global Affairs Unit Chief Don L. Brown for
reasons 1.4 (b) and (d).

¶1. (S/NF) SUMMARY: The German External Intelligence Service (BND) is soliciting support and funding from the Chancellery for transatlantic cooperation on a High Resolution Optical System (HiROS) reconnaissance satellite constellation. Senior BND officers will brief Chancellor Merkel on February 9 or 10 and then travel to Washington on February 10-11 to visit NSA and NGA. Germany is expected to make a final funding decision on HiROS by the end of February, but the decision remains politically contentious. HiROS' Achilles heel has been a lack of German interagency agreement in the face of heavy French political opposition, who are concerned that HiROS would directly compete with French commercial imagery satellites. The BND, the German Space Agency (DLR) and EADS-Astrium in Friedrichshafen, which comprise the current HiROS core partnership, all believe that a strategic US/German partnership on HiROS would counter French opposition and shore up German political support. END SUMMARY

HIROS HAS MERKEL'S EAR, BUT HOW ABOUT HER WALLET?

¶2. (S/NF) Colonel Joachim Karl Trenker, BND Director for Geospatial Intelligence (GEOINT), informed NGAoff that he has a meeting at the Chancellery on February 9, where he will lobby for HiROS funding/support. We understand that Trenker will be accompanied by BND Major General Armin Hassenpusch, the BND Vice President for Military Affairs, but that Trenker will do most of the talking. If given the Chancellery go-ahead, HIROS would likely have the authority to solicit contract bids and begin fabrication.

¶3. (C) EADS-Astrium Office Director for Future Programs and Missions, Thomas Walati, said he expects Trenker to advocate for working with the US on HiROS to share costs and reduce risk. Walati anticipates that Trenker will ask Merkel for around 300 million euro, enough to fund a three-satellite

HiROS constellation, but speculates that Merkel may authorize an amount in the 100-200 million euro range.

COL TRENKER GOES TO WASHINGTON

¶4. (S/NF) Immediately following his meeting at the Chancellery, Trenker will depart for Washington, DC to meet with NSA representatives on February 10 and with NGA representatives on February 11. We expect Trenker to use these meetings to solicit USG interest in and support for HiROS, with which he hopes to return to Berlin as a core input to the Chancellery's HiROS decision-making calculus. Highlighting the NGA visit will be a meeting with NGA Deputy Director Lloyd Roland. (COMMENT: Germany may have the impression that NGA would have a role in procuring/operating satellites, as opposed to serving as a functional manager for geospatial issues and data. END COMMENT)

DLR OPTIMISTIC ON HIROS APPROVAL / MOD RESISTING

¶5. (C) At the DLR New Year's reception in Berlin on January 27, HiROS, principal project manager, Dr. Andreas Eckardt, spoke enthusiastically about the prospects of HiROS receiving approval from Berlin, but confided to Econoff that resistance remained within the Ministry of Defense (MOD). Eckardt hinted that senior MOD officials may try to steer the Chancellery away from HiROS, due to political ties with the French. (COMMENT: Mixed emotions within the MOD on HiROS

likely stem from Germany's participation in a Multinational Space based Imaging System (MUSIS) with France, Belgium, Greece, Italy and Spain, where the MOD has the German lead. The establishment of HiROS threatens to drastically reduce the relevance of MUSIS to Germany and a potentially auspicious role for the German MOD. END COMMENT) Eckardt said the final decision on HiROS would be made at the end of February, and if approval is obtained, the project would aim for full operational capability (FOC) in 2014.

GETTING OHB ON BOARD FOR POLITICAL SUPPORT

¶6. (C) Eckardt said that the core of the HiROS fellowship is still coming together and that robust efforts are being made to add Bremen-based OHB-System participation, primarily for political support. Walati said that the owners of OHB-System, the Fuchs family, have all necessary political connections to realize HiROS and could bring the MOD around. He told us that OHB has also indicated interest in partnering on HiROS because of the business opportunity it presents, but that the company is cautious about its role. Walati is pushing OHB to be the industrial project lead, with Astrium subordinate, in an effort to minimize French mischief.
Murphy